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ABSTRACT

The use of a management-by-objectives format as an administrative leadership evaluation method can contribute to the effect of an organizational leadership change. The applicability of this method to situations would be determined by a number of factors that may or may not exist in every organization. While the technique of using management-by-objectives format for improving administrative performance is relatively simple, one can expect considerable resistance in implementing this procedure. (Author/KE)

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Effecting an Organizational Change Through a Modified Management by Objectives Procedure[1]

by

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Introduction

Effecting a non-voluntary change of non-tenured administrative leadership is often one of the more difficult tasks of a college or university administrator. While it may be true that individuals hold these positions "at the pleasure" of their organizational superior, many internal and external factors make it extremely difficult, if not impossible, to change administrative leadership. Every major university administrator will face this problem at one time or another. The method used, administrative technique, and approach will vary, depending upon the situation and the personalities involved. This paper will present one technique which was used to assist the author in effecting a change in administrative leadership. The use of a Management by Objectives format as an administrative leadership evaluation method contributed, in this case, to the ability of the author to effect an organizational leadership change. The applicability of this method to other situations would be determined by a number of factors which may or may not exist in every organization.

Background and Setting

Director X had served as the Medical Director of the University Health Service since 1945. He was nearly 60 years of age, five years from retirement. Director X had developed the University Health Center from its beginning. The service was centered initially in a small building, but in 1955 it was moved to a new modern building. From the early beginnings, Director X had utilized mandatory student fee support for the Health Center and had emphasized building the staff and operations to the point in 1973 where the operating budget was $1.3 million and consisted of

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80 FTE staff. Dr. X had developed a strong alliance with the city's medical community by appointing many of them on a part-time basis or on contract retainers, ostensibly to provide medical coverage in specialty medical areas. A total of over 40 physicians, comprising less than 4 FTE positions held part-time positions in the Center. The service was viewed by many people as being adequate to good.

In addition, Dr. X became active within state and national medical circles. He assumed an officer position with the American College Health Association and traveled extensively throughout the state and nation.

Using student fee support, Dr. X expanded the services and programs of the University Health Center at a rapid rate. Programs in occupational health, environmental health and safety, radiological health, and health education academic courses were supported by the mandatory student fee without consideration being given to the possible use of tax monies for certain of these programs. In addition, extensive in-patient and out-patient care for students was provided. Up until 1973, a financial deficit had occurred in nine of the previous 13 years. Two management study teams, one in 1968 and the other in 1972, recommended a number of management changes in the University Health Center to effect better fiscal control, more delegation of responsibility, and a streamlining of the organizational hierarchy. In 1972-73, employee morale began decreasing at a rapid rate and employee turnover was increasing. The University Board of Regents established a special committee, co-chaired by its two physician members, to study and make recommendations regarding the problems in the University Health Center.

Tensions were running rather high in the over 100-member organization upon my arrival in the fall of 1972. I was confronted with a Regents subcommittee report, the two previous management study reports and recommendations, and the fact that the Director of the University Health Center did not think the Health Center belonged within a Student Affairs organization. A blue-ribbon task force, chaired by the past-president of the State Medical Association, and consisting of faculty, staff, students and prominent local physicians, was established to review the Regents subcommittee report and make recommendations toward improvement of the "situation" in the University Health Center.

This task force continued its deliberations the next seven months during which time I became more familiar with Director X,

and the University Health Center operation. I became aware that potential administrative inadequacies were affecting the organization. The task force issued its report. This report called for a number of organizational changes. Little or no attention was directed to any potential administrative deficiencies. The report was accepted by the Board of Regents and the task force was dissolved.

In the ensuing months, I became more convinced that the administrative performance by the Director needed improvement. I decided on a strategy which involved the use of a Management by Objectives format in an effort to improve administrative performance and, if necessary, to document administrative deficiencies in the Director.

Objectives, Assigned Tasks, and Timetable

Five broad and definitive objectives were developed and presented to the Director of the University Health Center (see attachment). Each objective was accompanied with assigned tasks to be conducted at specific calendar times. While the timetable extended over most of the academic year, most of the assigned tasks were to be completed within the first three to five months of the academic year.

Following the presentation of these objectives, assigned tasks, and timetable to the Director, regular three-week oral and written evaluations were made of the Director. He was apprized of my assessment of his performance. Following an approximate 18-week period, general and specific administrative deficiencies were evident. Sufficient improvement had not resulted. The Director knew that the basis for removing him from his leadership position existed.

Conclusion

While the technique of using a Management by Objectives format for improving administrative performance is relatively simple, one can expect considerable resistance in implementing this procedure. In the foregoing case study, numerous challenges and confrontations ensued. Ultimately, members of the local physician "fraternity" called for the resignation of the Chancellor and the author at a meeting with the governing board. The State Medical Association censured the University. In the end, an administrative change was made, after attempts for improvement failed. This change, however difficult, was based on documentation which had been meticulously gathered through the use of a Management by Objectives format the preceding twelve months.

1973-1974
Objectives, Assigned Tasks and Timetable
University Health Center

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
1. To build the most sound and progressive line staff relationships	1. Complete job descriptions that relate to new organization.	1. September 10-14
	2. Review job descriptions with key staff in Center.	2. September 10-14
	3. Review with each staff member his own job description--to be done by respective department head.	3. September 10-14
	4. Appoint permanent and/or acting department heads.	4. September 15
	5. Implement new organization.	5. September 15
	6. Prepare letter for review by Dr. Bader to each department head with explanation of the respective department head's responsibilities in regard to: a. Hiring, scheduling, supervision, training and evaluation of staff. b. Budgetary planning. c. Approval of expenditures. d. Responsibility for communications. e. Policy development role in University Health Center. f. Staff relationships within the University Health Center. g. Staff relationships to Student Affairs and other campus agencies.	6. September 10-14
	7. Letter in Point 6 above delivered to and discussed with respective department heads.	7. September 20-24
	8. Department heads to conduct staff meetings to discuss their role in the Center, expectations and related matters.	8. September 24-28
	9. Management workshop utilizing outside consultant to be planned and implemented. Thrust of workshop to focus on leadership style and processes, effective communi-	9. Between Semesters

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
	cations, essentials of sound staff planning, principles of authority and responsibility, the concept of delegation.	
	10. Staff and individual conferences with department heads and Dr. Bader to evaluate status of organization.	10. October 15-November 15 January 15-February 15 April 1-May 1
	11. Encourage all staff to attend Student Affairs Mini-University courses that relate to professional behavior, principles of management, etc. Summarize for Dr. Bader specific staff and class attendance.	11. October 15-December 15
	12. Develop for review by Dr. Bader a complete and written staff evaluation program.	12. November 1-15
	13. Verbal and written evaluation provided to all staff. Key evaluations to be reviewed with Dr. Bader.	13. November 15-December 15
	14. Develop grievance and appellate process for all professional staff. Process to relate both to levels and personnel within the University Health Center and the Office of Student Affairs.	14. November 1-15
	15. All staff to be notified in writing of the grievance and appellate process.	15. November 15
	16. Management workshops utilizing outside consultation to be planned and implemented. Thrust of workshop to focus on subjects not covered in first workshop and elements of sound supervision, principles of personnel evaluation and the art of human relations.	16. Spring Break
	17. Joint department head written analysis of the effectiveness and problems relating to line/staff relationships in the Center. To be submitted to both the Director and Dr. Bader.	17. March 15

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
2. To improve practices and policies relating to personnel administration.	1. Assigned Tasks 6, 12, 13, 14 and 15 as noted above.	1. Parallel dates as outlined above apply.
	2. Recommend to Dr. Bader complete system for developing and maintaining employee personnel folders. Emphasis upon location of files, nature of material, life span, confidentiality, etc.	2. November 15
	3. Review with all employees the full details of the Affirmative Action Program.	3. October 15-October 30
	4. All department heads to establish and make public a limited number of hours when they will be available on an "on call basis" to talk with employees.	4. October 1
	5. Employee workshop to be conducted by University Personnel Office. Thrust to be on employee rights and responsibilities, benefits, relevant policies, open ended question/answer period.	5. October 15-November 15
3. To improve and sustain communications.	1. Submit to Dr. Bader nature and frequency of staff meetings held by the Director and respective department heads. Include staff in attendance.	1. October 1
	2. Same as Objective 2, Assigned Task number 4.	2. October 1
	3. Rotate invitations to department heads to attend Student Affairs Staff Meetings.	3. Ongoing
	4. Invite Directors from Student Affairs to attend the Director's staff meetings.	4. Ongoing
	5. Plan and implement University Health Center Staff Newsletter.	5. November 15-December 15
	6. The Director to sponsor open ended fire side chats (every 4-6 weeks) for his staff.	6. October 1 (and ongoing)
	7. Minutes from key staff meetings in University Health Center and Student Affairs to be exchanged between Directors.	7. Ongoing

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
	8. Invite campus resource personnel to appropriate staff meetings for purposes of training, dissemination of information, sharing of ideas, etc.	8. Ongoing
	9. Development of written policy and procedure notebook for distribution to and use by all University Health Center personnel.	9. October 1-June 30
	10. Sponsor twice a semester open ended fire side chats for employees to visit with Dr. Bader.	10. October 15-30 (First Session)
4. To improve and sustain sound business functions.	1. Same as Objective 1, Assigned Tasks 4, 5, 6.	1. Parallel dates apply
	2. Continued emphasis upon developing sound accounting techniques, sound internal controls, ordering methods, fiscal analysis, development of management tools, inventory control, etc.	2. Ongoing
	3. Seek consulting assistance from University Office of Business and Finance.	3. Ongoing
	4. Actual versus budgeted report and analysis to be submitted monthly to Dr. Bader.	4. October 30 (First Report)
	5. Development of 1974-75 budgetary criteria objectives and actual projection. To be submitted to Dr. Bader.	5. February 1-February 25
	6. Development of capital needs budget (bond replacement fund) to be submitted to Dr. Bader.	6. May 1-May 30
	7. Administrator to conduct scheduled sessions with the respective department heads to better define problems, improve services, trouble shoot, etc.	7. Ongoing
5. To maximize staff resources.	1. Develop and complete staff survey questionnaire with objectives of determining elements of work satisfaction, necessary physical conditions, individual goals, etc. Consulting help may be necessary.	1. November 15

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
	2. Prepare a report for Dr. Bader that recommends how we can attract more FTE physicians. Emphasis on salary requirements, working conditions, part-time practice, etc.	2. October 30
	3. Prepare a report in conjunction with the Medical Center on how we might more effectively utilize resident physicians. Correlate the plan to the report mentioned in Assigned Task 2 above.	3. October 30
	4. Prepare a Faculty and Service Use Study for Dr. Bader with emphasis upon hours of operation, services offered and used, where we can cut back and where it may be necessary to expand the operation.	4. December 30
	5. Review with Dr. Bader action plan to recruit medical personnel from all Lincoln hospitals, private practice, new arrivals in Lincoln, etc.	5. September 20
	6. Prepare follow-up recommendations for Dr. Bader relative to the data collected from the employee work satisfaction questionnaire.	6. December 15
6. To sustain and improve coordinated planning.	1. Develop for review by Dr. Bader a written master plan that will detail how the staff will be coordinated to insure maximal efforts in the areas outlined below. Emphasis to be on working groups, accountability, responsibility, goals, timetables and leadership. a. Major renovation projects. b. Development of capital equipment budget. c. 1974-75 budget preparation. d. Development of coordinated programming with Student Affairs. e. Evaluation of 1973-74 University Health Center services and programs. f. Development of 1974-75 University Health Center services and programs.	1. October 30

OBJECTIVE	ASSIGNED TASKS	TIMETABLE
	2. Review of master plan that details coordinated staff program with all key staff members.	2. November 1